

W. Town of Wingate

Annual Budget Message FY2016-2017

Mayor
Bill Braswell

Board of Commissioners

Gary Hamill
Barry Green
Peggy Taylor
John Magnum
Brent Moser

Prepared By:
Town Manager
Patrick K. Niland



Pursuant to Section 159-11 of the North Carolina General Statutes, the Town of Wingate's proposed budget for the fiscal year beginning July 1st 2016 and ending June 30th 2017 is submitted for your consideration.

General Fund

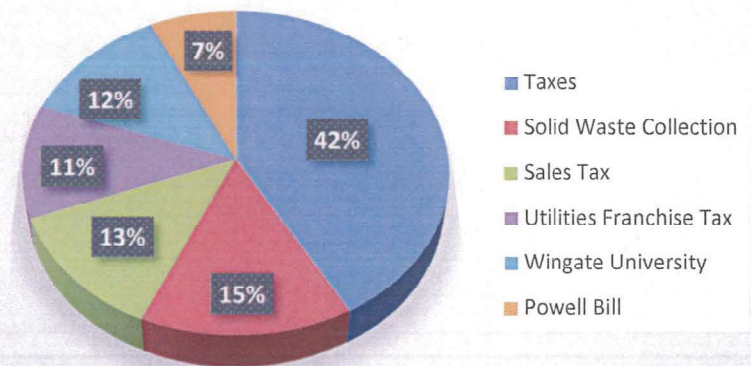
Revenue

The town's four largest revenue streams are Property Tax, Sales and Use Tax, Franchise Utility Tax, and Wingate University's Contribution. The proposed property tax rate for FY2016-2017 is \$.42 per \$100 of valuation. The tax rate remains unchanged from the previous fiscal year. We are anticipating a slightly higher property tax projection. This is reflective of a slight increase in our total tax base.

Over the past couple years the State of North Carolina has modified its sales tax collections. They have expanded sales tax to services that were previously untaxed. They have also changed the method of distributing this tax to local municipalities. This new formula allocates a higher percentage of sales tax proceeds to rural communities. Our revenue projection for sales tax is approximately \$20,000 higher than in the previous fiscal year.

Wingate University has also increased their contribution from \$124,000 to \$160,000.

FY 2016-2017 Revenue Breakdown



Expenditures

Fire Department/Town Hall

The Fire Department/Town Hall is scheduled for completion sometime in late October. Current projections are that the building will be on time and on budget. There is a debt service payment of \$75,000 in the FY16-17 budget. This reflects a partial payment due to when construction will be complete. Our first full debt service payment will not occur until FY17-18.

Police Department

During FY2015-2016 the three 2010 Dodge Charger patrol vehicles have all experience several mechanical failures. One of those vehicles was totaled in May of 2016. This vehicle was declared a total loss and will be replaced in the FY15-16 budget. For FY2016-2017, we have also budgeted for the replacement of another 2010 Dodge Charger. This will leave one 2010 Dodge Charger to be replaced in FY17-18. We are currently working on a fleet replacement plan scheduled to be complete in June of 2016.

The Police Department was one of the first departments in Union County to have officers outfitted with body cameras. These cameras, while functional, were not very effective. We are currently looking into a more advanced technology that will give us a reliable recording device. At the current time, we do not

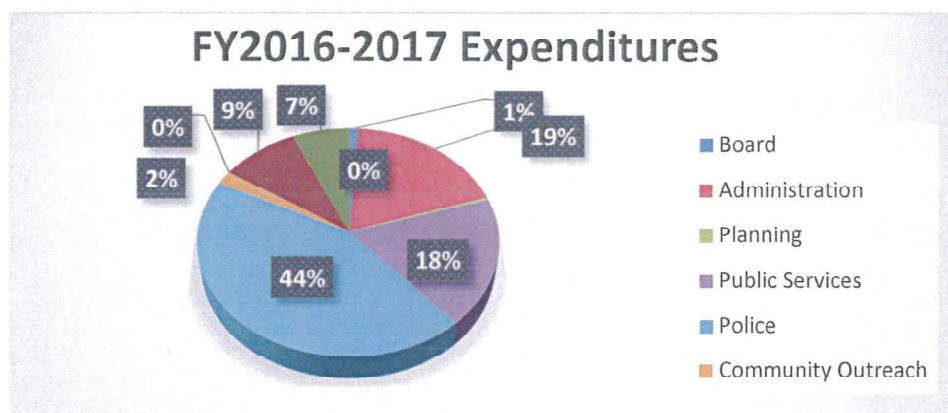
have a budget, but we do anticipate bringing a proposal to the Board at some point in the next fiscal year.

Two years ago, the town began increasing patrol officers' salaries every six months to remain competitive with surrounding agencies. Our last scheduled increase will occur July 1st 2016. This increase will bring all patrol officers' salaries up to at least \$41,000. This amount is the proposed base amount should we need to hire patrol officers in the future.

Administration

The largest increase to the administration department is the inclusion of the debt service payment for the new Town Hall/Fire Department Facility. We will have a partial payment in June 2017; the total amount of this payment will not be known until the project is complete. Outside of the debt service payment, the administration department remains largely unchanged.

Health Insurance



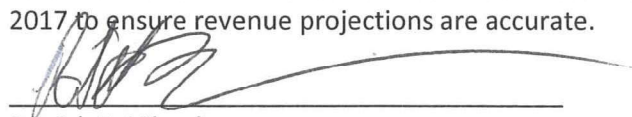
We recently received our renewal information for health insurance and we are anticipating a 12% increase in our monthly premiums. Our health insurance plan is one of the best offered, and is a major recruiting tool for attracting qualified

employees. We have been able to offset the increase in health insurance with a decrease in both liability insurance and workers compensation insurance.

Water & Sewer Fund

The Phase II waterline replacement project was completed in FY2015-2016. The final project came in approximately \$100,000 under budget. This is grant money that USDA is allowing the town to put towards other waterline replacement projects that were uncovered as part of the Phase II project. We have also been earmarked \$100,000 in CDBG funds to complete three projects that were not associated with the Phase II project. Once all of these projects are complete, we will have eliminated approximately 98% of the problematic waterlines in our system. The improvements made to our system have significantly reduced the maintenance cost associated with our water distribution system.

Almost all utility rates will remain the same as they currently are. The only exception is for customers with a 2" meter and up; these customers will see a 5% increase in both the base rate and the usage rate. This increase will not affect residential customers. It is advised that rates are reviewed in January of 2017 to ensure revenue projections are accurate.


Patrick K. Niland
Town Manager

BE IT ORDAINED by the Governing Board of the Town of Wingate, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017:

Ad Valorem Taxes, Penalties & Interest	\$539,000
Miscellaneous Income	\$3,000
Park Facility Rental and Concession Sales	\$13,000
Solid Waste Collection	\$192,500
Intergovernmental Revenues	\$179,000
Parking Tickets	\$1,500
Concession Sales	\$300
Cemetery Fund Income	\$1,200
Interest Income	\$1,350
ABC Contribution	\$25,000
Festival Sponsorship	\$10,000
ABC Law Enforcement	\$4,000
Utility Franchise Tax	\$145,000
Court Fees	\$1,200
Drug Seizures	\$5,000
Cable Franchise Fees & Taxes	\$2,600
Zoning Fees	\$3,000
Wingate University	\$160,000
Powell Bill	\$92,000
	\$1,378,650

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Elected Officials	\$14,360
Administration	\$260,991.70
Planning	\$4,175
Public Services	\$250,500
Police Department	\$605,485.65
Community Outreach	\$26,171.77
Parks & Recreation	\$124,965.88
Streets	\$92,000
	\$1,378,650

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Water Sales	\$720,000
Penalties & Reconnect Fees	\$30,000
Water Tap Fees	\$10,000
Interest, Water	\$500
Property Rental	\$24,000
Wastewater Sales	\$880,000
Sewer Tap Fees	\$10,000
Interest Income, Sewer	\$500
	\$ 1,691,052.16



SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016:

Water Department

Salaries	\$213,992.12
Maintenance & Repair	\$14,000
Water Purchased	\$280,000
Professional Services	\$1,000
Tank Repair	\$18,300.01
Operations	\$81,100
Capital Outlay	\$5,000
Debt Service	\$144,143
	\$757,535.13

Sewer Department

Salaries	\$213,992.11
Maintenance & Repair	\$15,000
Wastewater Treatment	\$515,150.92
Professional Services	\$3,800
Capital Outlay	\$2,500
Operations	\$71,150
Debt Service	\$111,924
	\$933,517.03

Total Water & Sewer Fund Expenditures **\$1,691,052.16**

SECTION 5: There is hereby levied a tax at the rate of thirty-nine cents (\$.42) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2015, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$126,464,070 and an estimated rate of collection of 98%.

SECTION 6: The Town Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

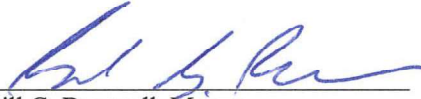
- A. He may transfer amounts between objects of expenditure within a department without limitations. If the transfer exceeds \$3,000, then the Town Manager shall report the transfer to the Board of Commissioners at the first regular meeting that occurs after the transfer takes place.
- B. He may transfer amounts up to \$1,000 between departments of the same fund with an official report of such transfers being given at the first regular meeting of the Board of Commissioners that occurs after the transfer takes place.
- C. There may not be a transfer of any amounts between funds, from a contingency fund, or any non-appropriated expenditures within any fund without approval from the Board of Commissioners.

SECTION 7: The Town of Wingate Schedule of Fees as shown on Attachment A is hereby adopted in conjunction with the 2016 – 2017 Fiscal Year Budget. The Town of Wingate Schedule of Fees shall remain in effect until amended or repealed by the Board of Commissioners. The Board of Commissioners may amend the Town of Wingate Schedule of from time to time as it sees fit.



SECTION 8: Copies of this Budget Ordinance shall be furnished to the Finance Officer and to the Budget Officer of this Town to keep on file by them for their direction in the disbursement of funds.

Adopted this the 21st day of June 2016



Bill G. Braswell, Mayor

Attest:



Karen Wingo, Town Clerk

[SEAL]